MAGNAT focuses on three to four core markets in Eastern Europe

- Focus: the rapidly growing Black Sea region, with Ukraine, Turkey and Georgia
- Romania as candidate for development into fourth core market
- Controlled, value-preserving withdrawal from the other markets by the end of 2013

Frankfurt am Main, 23 February 2011 – MAGNAT Real Estate AG ('MAGNAT', ISIN DE000A0XFSF0) to focus on three to four rapidly growing core markets in Eastern Europe, thus reducing significantly the high number of markets – currently nine – served. The future will see MAGNAT's focus being put on the Black Sea region, with the countries Ukraine, Turkey and Georgia. The commitments in Romania are being monitored and this country may become the fourth core market. MAGNAT will gradually pull out of the other countries: Germany, Poland, Bulgaria and Russia. The stocks and projects in these countries are to be divested by the end of 2013. The first sales should take place in as early as 2011.

In its core markets, in which MAGNAT is already well established with first-hand experience, the company will combine own development projects with efforts to win third party asset management mandates. Eastern Europe is currently emerging from the deep economic recession in the wake of the financial crisis of 2008 to 2010. In addition to numerous distressed situations, the long-term backlog and upward trend in Eastern Europe continues to be highly promising. To take advantage of the current opportunities, MAGNAT is aiming for a significant medium-term growth of its asset base.

The new core markets in detail: Ukraine is one of the largest markets in Eastern Europe. Not least because of a new commodity boom, strong recovery effects are expected there after the economic slump with predicted growth rates in gross domestic product of 5.0 per cent in 2011 and 2012. With predicted gross domestic product growth of 7.4 per cent in 2010 – and anticipated rates of 4.1 per cent in 2011 and 5.1 per cent in 2012 – Turkey is currently the fastest growing economy in Europe and benefits from the geographic position at the crossroads between Asia and Europe. With strong backing from the U.S. and EU, Georgia is recovering fast from its post-war crisis. Investment interest displayed by the Middle East countries and Turkey is particularly great. After a predicted 5.5 per cent increase in 2010, gross domestic product in Georgia is expected to rise by around 4.5 per cent in this year and the next.

The Asset Management division of MAGNAT, which is operated as a profit centre and provides stable cash flows, remains a central part of the company. MAGNAT will continue to implement

profitable co-proprietor's building schemes in Vienna and carry out asset management mandates in Germany. MAGNAT also plans to step up its activities with respect to third party mandates in the new core markets in Eastern Europe. In addition, the company's asset management serves as a growth platform for MAGNAT's own projects in the new core markets.

Dr Marc-Milo Lube, CEO of MAGNAT, comments: "We want to be able to better exploit our potential in those countries in which we operate with particular experience and expertise. Therefore, we are concentrating on three to four selected, above-average, rapidly growing markets in Eastern Europe, which we are very familiar with. We will carry out exciting new growth projects in these core markets as well as asset management mandates for third parties."

An up-to-date company presentation about MAGNAT's focus on selected core markets is available on the website www.magnat.ag.

About MAGNAT

MAGNAT Real Estate AG is the first publicly traded real estate company in Frankfurt to focus on real estate development in Eastern Europe.

MAGNAT is an integrated real estate group and covers the entire value chain – from acquisition across development through to the sale of projects and land. In addition, the Group provides real estate asset management services for third parties.

MAGNAT investors participate in development returns in Eastern Europe.

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